

**LEGISLATIVE SERVICES AGENCY
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FISCAL IMPACT STATEMENT

LS 7555

BILL NUMBER: HB 1578

NOTE PREPARED: Jan 31, 2007

BILL AMENDED: Jan 30, 2007

SUBJECT: School Improvement Awards.

FIRST AUTHOR: Rep. Battles

FIRST SPONSOR:

BILL STATUS: CR Adopted - 1st House

FUNDS AFFECTED: X **GENERAL**
DEDICATED
FEDERAL

IMPACT: State & Local

Summary of Legislation: (Amended) This bill establishes the School Improvement Award Fund to provide grants to public schools that show an improvement in academic performance or high performing schools.

It requires the Department of Education to establish a distribution formula for the award fund. The bill specifies the basis for the awards. It also repeals the current law concerning Student Educational Achievement Grants. The bill makes conforming amendments.

Effective Date: July 1, 2007.

Explanation of State Expenditures: (Revised) The bill creates the School Improvement Award Fund. The Fund consists of appropriations and does not revert to the state General Fund but can be transferred to the Remediation Grants Fund. The fund is established to reward schools that show improvement over the previous year's academic performance and high performing schools with a graduated series of awards. A high performing school is a school placed in the exemplary or commendable performance category by the State Board of Education. The Department of Education is required to develop a formula for the allocation of the awards. The formula is to be based on the following:

1. Performance of a schools students on ISTEP.
2. Performance of subgroups of students as identified by the No Child Left Behind Act and the federal Elementary and Secondary Education Act of 1965.
3. Graduation rates for the secondary school.
4. Other measures of student academic performance.

The grants can be used to increase parental involvement, curriculum, or instruction materials.

The General Assembly is to determine the statewide amount available for grants in appropriation during a biennium. The impact would depend on the appropriations made by the General Assembly.

The bill repeals the Student Educational Achievement Grants. The state has not funded these grants for several years.

Explanation of State Revenues:

Explanation of Local Expenditures:

Explanation of Local Revenues: *See Explanation of State Expenditures.*

State Agencies Affected: Department of Education.

Local Agencies Affected: Local Schools.

Information Sources:

Fiscal Analyst: Chuck Mayfield, 317-232-4825.